

SENATE BILL No. 218

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-24-7; IC 32-2-8.

Synopsis: Tax sale surplus fund. Requires a delinquent taxpayer, before transferring property previously sold at a tax sale, to sign a form that discloses the amount of money in the tax sale surplus fund that the taxpayer will forego by transferring the property. Provides that the person who purchases the property from the delinquent taxpayer may not receive the amount of money in the tax sale surplus fund unless the person is named on the disclosure form.

Effective: July 1, 1999.

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January 6, 1999, read first time and referred to Committee on Governmental and Regulatory Affairs.



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First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

SENATE BILL No. 218

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-1.1-24-7 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 7. (a) When real
3 property is sold under this chapter, the purchaser at the sale shall
4 immediately pay the amount of his bid to the county treasurer. The
5 county treasurer shall apply the payment in the following manner:
6 (1) first, to the taxes, special assessments, penalties, and costs
7 described in section 5(e) of this chapter;
8 (2) second, to other delinquent property taxes in the manner
9 provided in IC 6-1.1-23-5(b); and
10 (3) third, to a separate "tax sale surplus fund".
11 (b) The:
12 (1) owner of record who is divested of the owner's property by the
13 issuance of a tax deed to the tax sale purchaser;
14 (2) tax sale purchaser or purchaser's assignee, upon redemption
15 of the tract or item of real property; or
16 (3) person with a substantial property interest of public record, as
17 defined in section 1.9 of this chapter and as evidenced by the



issuance of a tax deed to a tax sale purchaser, in a county:

(A) having a population of more than two hundred thousand (200,000) but less than four hundred thousand (400,000);

(B) having a consolidated city; or

(C) in which the county auditor and the county treasurer have an agreement under IC 6-1.1-25-4.7;

may file a verified claim for money which is deposited in the tax sale surplus fund. If the claim is approved by the county auditor and the county treasurer, the county auditor shall issue a warrant to a person described in subdivisions (1) through (3) for the amount due.

(c) If the person described in subsection (b)(1) acquired the property from a delinquent taxpayer after the property was sold at a tax sale under this chapter, the county auditor may not issue a warrant to the person unless the person is named on a tax sale surplus fund disclosure form filed with the county auditor under IC 32-2-8.

~~(c)~~ **(d)** An amount deposited in the tax sale surplus fund shall be transferred by the county auditor to the county general fund and may not be disbursed under subsection (b) if it is not claimed within the three (3) year period after the date of its receipt.

~~(d)~~ **(e)** If an amount applied to taxes under this section is later paid out of the county general fund to the purchaser or his successor due to the invalidity of the sale, all the taxes shall be reinstated and recharged to the tax duplicate and collected in the same manner as if the property had not been offered for sale.

~~(e)~~ **(f)** When a refund is made to any purchaser or his successor by reason of the invalidity of a sale, the county auditor shall, at the December settlement immediately following the refund, deduct the amount of the refund from the gross collections in the taxing district in which the land lies and shall pay that amount into the county general fund.

SECTION 2. IC 32-2-8 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]:

Chapter 8. Tax Sale Surplus Fund Disclosure

Sec. 1. This chapter applies to a transfer of property made after June 30, 1999, that transfers ownership of the property from a delinquent taxpayer to another person after the property is sold at a tax sale under IC 6-1.1-24 and before the tax sale purchaser is issued a tax sale deed under IC 6-1.1-25-4.

Sec. 2. Before a delinquent taxpayer may transfer title to a property sold at a tax sale under IC 6-1.1-24, the taxpayer must file

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1 a tax sale surplus fund disclosure form in duplicate with the county
2 auditor.

3 **Sec. 3. A tax sale surplus fund disclosure form must contain the**
4 **following information:**

5 (1) The name and address of the taxpayer transferring the
6 property.

7 (2) The name and address of the person acquiring the
8 property.

9 (3) The date of the transfer.

10 (4) The purchase price for the transfer.

11 (5) The date the property was sold at a tax sale under
12 IC 6-1.1-24.

13 (6) The amount of the tax sale purchaser's bid that was
14 deposited into the tax sale surplus fund under IC 6-1.1-24-7.

15 **Sec. 4. The tax sale surplus fund disclosure form must be signed**
16 **by the taxpayer transferring the property in the presence of the**
17 **county auditor or the county auditor's designee.**

18 **Sec. 5. The county auditor shall stamp the tax sale surplus fund**
19 **disclosure form to indicate the county auditor's receipt of the form**
20 **and remit the duplicate to the taxpayer.**

21 **Sec. 6. The state board of accounts shall prescribe the tax sale**
22 **surplus fund disclosure form required by this chapter.**

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